



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

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## **JOINT APPLIED PROJECT**

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**An Analysis of Multiple Award Indefinite Delivery Indefinite Quantity  
Contracts at the Army Contracting Command – Aberdeen Proving  
Ground**

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**By: Michael P. Fusco  
September 2012**

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**AN ANALYSIS OF MULTIPLE AWARD INDEFINITE DELIVERY  
INDEFINITE QUANTITY CONTRACTS AT THE ARMY CONTRACTING  
COMMAND – ABERDEEN PROVING GROUND**

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Submitted in partial fulfillment of the requirements for the degree of

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from the

**NAVAL POSTGRADUATE SCHOOL  
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# **AN ANALYSIS OF MULTIPLE AWARD INDEFINITE DELIVERY INDEFINITE QUANTITY CONTRACTS AT THE ARMY CONTRACTING COMMAND – ABERDEEN PROVING GROUND**

## **ABSTRACT**

This purpose of this project is to review and analyze the changes in the Federal Acquisition Regulation (FAR) over the past few years to place a preference on award of multiple contracts when using an Indefinite Delivery Indefinite Quantity (IDIQ) type contract. The project examines the changes and their impacts on the contracting workforce. Following this examination, the project looks at multiple award information from the Army Contracting Command – Aberdeen Proving Ground to determine whether anything can be learned from the data. The project also examines the minimum quantity requirements of IDIQ contracts to determine whether there is a quantity that could be so low it would not represent a binding contract. The project concludes with a summary and recommendations based on the research conducted.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

ACC-APG	Army Contracting Command – Aberdeen Proving Ground
AFARS	Army Federal Acquisition Regulation Supplement
CAR	Contract Action Report
DFARS	Defense Federal Acquisition Regulation Supplement
DO	Delivery Order
DoD	Department of Defense
EDA	Electronic Document Access
FAC	Federal Acquisition Circular
FAR	Federal Acquisition Regulation
FEDLINK	Federal Library and Information Network
FPDS	Federal Procurement Data System
FPDS-NG	Federal Procurement Data System – Next Generation
GAO	Government Accountability Office
GMQ	Guaranteed Minimum Quantity
HUBZones	Historically Underutilized Business Zones
IDIQ	Indefinite Delivery Indefinite Quantity
IDV	Indefinite Delivery Vehicle
TO	Task Order
SDVSOB	Service-Disabled Veteran-Owned Small Businesses

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# **I. INTRODUCTION**

## **A. BACKGROUND**

The Federal Acquisition Regulation (FAR) contains the policies and procedures for acquisitions conducted by all executive agencies. The FAR is broken up into different parts that govern various topics related to procurement. Different agencies within the government further supplement the FAR with its own regulations and revisions specific to that agency. For example, the Defense Federal Acquisition Regulation Supplement (DFARS) applies to the Department of Defense (DoD) and the Army Federal Acquisition Regulation Supplement (AFARS) applies to the Army. For purposes of this research project, emphasis will be placed on FAR part 16.504 and 16.505 as it relates to Indefinite Delivery Indefinite Quantity (IDIQ) contracts. The DFARS and AFARS will not be reviewed as part of this research, as these supplements do not add any additional requirements pertinent to the research being conducted. An IDIQ contract is initially awarded as a base contract that establishes the scope of services or goods that can be ordered against it. The base contract has no funding associated with it and merely lays out the terms and conditions applicable to any orders placed against the base contract. It also establishes the ordering procedures to include maximum and minimum order requirements. These base IDIQ contracts can be awarded to a single vendor or multiple vendors. In the event the solicitation results in award to multiple vendors each base contract has the same terms and conditions and is for the same scope of services or goods. When the need arises to place orders against multiple award contracts all vendors holding a base contract are requested to provide a proposal. This proposal request also details how selection of the order will be made. Unlike this multiple award scenario that maintains competition over the life of the contract, single award contracts only have competition when the base IDIQ contract is solicited and awarded. Changes in the FAR since 2008 have placed a greater emphasis on multiple award contracts, which given the savings a competitive environment can produce is not surprising (Kove, 2007, p. 44).

## **B. OBJECTIVES OF THIS RESEARCH**

The objective of this research is to study the FAR requirements for multiple award contracts. This study will examine the policy changes that have led to an emphasis on multiple award contracts and competition among multiple award contracts. The research will also examine the requirement for the Guaranteed Minimum Quantity (GMQ) in IDIQ contracts to be nominal. FAR 16.504 spells out the requirement that for Indefinite Quantity contracts the government must order at least a stated minimum quantity of supplies or services and that minimum quantity must be more than a nominal quantity. It further stipulates that this quantity should not exceed what the “government is fairly certain to order.” This examination will explore what precedence the GAO has established regarding the minimum quantity being more than a nominal quantity. Specifically the research will focus on what minimum quantity is necessary to form a binding contract.

The first part of the research will be the policy study identified above. Following the policy study, the researcher will review statistical data from the Army Contracting Command – Aberdeen Proving Ground (ACC-APG) as it relates to multiple award IDIQ contracts. This data will then be analyzed and recommendations presented based on the analysis.

## **C. SCOPE, LIMITATIONS, AND ASSUMPTIONS**

The scope of this research will be limited to only multiple award contracts issued by ACC-APG since 2008. The data will further be limited to what information can be retrieved from the Federal Procurement Data System (FPDS). The data may further be subject to human error in reporting.

The researcher has laid forth three main assumptions that this research is aimed at validating. The first assumptions being made for this research is that prior to changes in FAR policy that now require exemptions to fair opportunity be approved at levels similar to justification and approvals for other than full and open competition (FAR part 6); Task Order (TO)/Delivery Order (DO) were issued without obtaining competition on a more frequent basis due to the absence of these approval levels. This project will examine

data within the ACC-APG to determine whether the changes to the FAR have led to increased competition among multiple award contracts. The second assumption is that multiple award service contracts have been awarded to expedite the contracting process for certain services. These service contracts cover a broad range of services (e.g. engineering, program management), and often have a large pool of contractors who hold base contracts. Because of this, an assumption is made that for these large service contracts award seems to be made to all acceptable offerors without any real tradeoff. For example, ten acceptable or better proposals are received and ten base contract awards are made. The reality for these contracts is that for various reasons offerors do not propose on every task/delivery order request for proposal, and if you have a base pool of ten contractors you may only receive proposals from three of those contractors. The final assumption the researcher has made for this project is related to the multiple award service contracts referenced in the second assumption. This assumption holds that the GMQ under these large contracts is so low that it encourages award to all acceptable or better offerors. The project will examine the FAR requirements for the GMQ to be nominal, and see if any case can be presented that the GMQ under the ACC-APG contracts examined may not have been sufficient enough to form a binding contract.

#### **D. ORGANIZATION OF REPORT**

Chapter I begins with background surrounding the project. It then discusses the objectives of the research. The scope, limitations, and assumptions of the project are then laid out. Chapter I will conclude by covering the organization of the report

Chapter II provides the regulation and literature review that was conducted. Chapter II begins with a discussion of what the FAR states regarding multiple award IDIQ contracts. It then discusses what guidance the DFARS has regarding multiple award IDIQ contracts. The chapter then lays out a discussion regarding the minimum quantity requirement for IDIQ contracts and explores what Government Accountability Office (GAO) cases have ruled regarding the minimum quantity requirement.

Chapter III will begin with a discussion of the process used to gather statistical information for this research. The chapter will conclude with a presentation of the statistical data.

Chapter IV will discuss how the data was analyzed. Specifically this chapter will address the analysis of: multiple award IDIQ data; task order competition data; GMQ data. Following the analysis of the data Chapter IV will outline any trends that can be seen in the data.

Chapter V contains an overall summary of the project. Recommendations based on analysis of the data will be provided. Conclusion that can be drawn from the data will be presented. Chapter V will conclude with any areas of further research that can be pursued as a result of this project.

#### **E. SUMMARY**

This chapter has presented some background on the requirement for multiple award IDIQ contracts. It has laid out the objectives of the research. The scope and limitations of the research were presented along with the main assumptions that the research is aimed at either validating or disproving. Finally, the chapter concluded with an overview of the remaining chapters of this research project.

## II. REGULATION/LITERATURE REVIEW

### A. FEDERAL ACQUISITION REGULATION REVIEW

The FAR contains the policies and procedures for acquisitions conducted by all executive agencies (FAR, 2012a). As this research project is focused on multiple award IDIQ contracts a review of FAR parts 16.504 “Indefinite-Quantity Contracts” and 16.505 “Ordering” is necessary. Beginning in 2008 and continuing to the present these sections of the FAR have undergone significant revisions to focus on multiple award contracts and maintaining competition among contractors with these IDIQ contracts. The magnitude of the changes is apparent when you compare the length of Appendix A to the length of Appendix B. Table 1 briefly summarizes the changes that have taken place to these parts of the FAR since 2008:

**Table 1. Summary of FAR Changes**

<b>FAC Version</b>	<b>Date</b>	<b>FAR Reference</b>	<b>Change</b>	<b>Reference</b>
2005–27	17-Sep-08	16.504(c)(1)(ii)(D) added	Single award Task/Delivery Order contracts over \$100M must be approved by the head of the agency	1
		16.505(a)(9) updated	Can protests orders over \$10M but only to Government Accountability Office	2
		16.505(b)(1)(ii) updated	All awardees need not be contacted if order does not exceed \$5 million	3
		16.505(b)(1)(iii) added	Ordering procedures added for task orders exceeding \$5 million; old paragraph (iii) becomes (iv) and remains unchanged	4
		16.505(b)(4) added	Task/Delivery Orders over \$5 million now require postaward notices and debriefings if requested	5
2005–39	19-Apr-10	16.504(c)(1)(ii)(D)(3) updated	Architect-engineer services awarded using FAR 36.6 are exempt from determination for a single award contract	6
2005–45	1-Oct-10	16.504(c)(1)(D) updated	Threshold updated from \$100 million to \$103 million	7

		16.504(c)(2)(i) updated	Contract Advisory and Assistance Service value updated from \$11.5 million to \$12.5 million	7
2005–50	16-May-11	16.505(b)(2)(i)(E) and (F) added	Added exemption allowing ordering to be placed on a sole source basis if a statute expressly authorizes or requires it; added ability to create set asides within; multiple award contracts	8
		16.505(b)(2)(ii) added	Requires any exceptions to fair opportunity to be in writing; specifies formats and approval levels for the exception; lays out requirements to post the exception	9
		16.505(b)(1)(ii) updated 16.505(b)(1)(iii) added	-\$5 million reference removed from (ii) -Ordering procedures added for orders exceeding the SAT	3
2005–55	2-Feb-12	16.505(a)(4) added	Adds requirements for procuring items peculiar to one manufacturing; requiring exception to fair opportunity and posting of the notice	10

1. Federal Acquisition Circular (FAC) 2005–27, dated September 17, 2008, enacted a number of changes related to multiple award IDIQ type contracts. One such change was the addition of FAR 16.504(c)(1)(ii)(D). This addition contained three major parts. First it added the requirement for the head of the agency to approve any determination to award a task or delivery order contract to a single source that was estimated to exceed \$100 million. This addition was followed by conditions that could warrant award to a single source. Secondly, it required that the head of the agency notify Congress within 30 days after approving any determination such determination. Finally, it stated that the requirement for the determination applies in addition to the requirements of FAR 6.3.

A review of Appendix B, specifically FAR 16.504(c)(1)(ii)(C), shows what was expected prior to FAC 2005-27. This reference states, “The contracting officer must document the decision whether or not to use multiple awards in the acquisition plan or contract file.” The only requirement prior to FAC 2005-27 was that contracting officers document the decision to single award a task or delivery order contract. For those acquisitions exceeding \$100 million, the decision was simply documented in the acquisition plan, and no separate document need be prepared.

Although the FAR still stated that preference should be given to making multiple awards, the regulations did not make it difficult to make a single award. By adding FAR 16.504(c)(1)(ii)(D) in FAC 2005-27 it ensured that higher dollar value Indefinite Delivery Indefinite Quantity contracts would receive even more preference than they previously had. Requiring a head of the agency determination in addition to documenting the decision in the acquisition plan ensured a separate document dedicated to a single award determination. By making the head of the agency the approval of the determination and further requiring that the head of the agency report all approved determinations to Congress, it ensured single award task or delivery order contracts in excess of \$100 million would be the exception rather than the rule. When you consider that most task or delivery order contracts are awarded for three to five years, this change was certainly intended to ensure that competition could be maintained over the duration of these contract estimated at greater than \$100 million.

2. FAR 16.505(a)(9) received an update in FAC 2005-27 that introduced more power for offerors who hold a base contract but are unsuccessful in receiving award of a task order. The update added FAR 16.505(a)(9)(i)(B), allowing offerors to protest award of orders exceeding \$10 million; however, this protest can only be to the GAO. Prior to this change, as seen in Appendix B, FAR 16.505(a)(9) only allowed task or delivery orders to be protested on the grounds that the order increased the scope, period, or maximum value of the

contract. The change granted unsuccessful offerors the ability to protest to GAO, and this protest for orders exceeding \$10 million was no longer limited to an increase in scope, period, or maximum value of the contract.

One of the byproducts of this policy change is certainly that all task orders valued over \$10 million have detailed-enough documentation and award decisions to withstand a protest. Prior to this change documentation may not have been as thorough, as there was not a concern that the order would be protested. Ensuring that all base contract holders had recourse if they felt they were not evaluated properly or did not receive fair opportunity for a task order award was certainly one of the intents of this update.

3. FAC 2005-27 and 2005-50 both made changes to FAR 16.505(b)(1)(ii). FAC 2005-27 revised this paragraph to state that for orders not exceeding \$5 million, “the contracting officer need not contact each of the multiple awardees under the contract before selecting an order awardee if the contracting officer has information available to ensure that each awardee is provided a fair opportunity to be considered for each order” (FAR, 2008). As can be seen in Appendix A, FAR 16.505 was further revised in FAC 2005-50 to replace the \$5 million requirement in FAR 16.505(b)(1)(ii) with orders not exceeding the simplified acquisition threshold. In addition, FAC 2005-50 added paragraphs to FAR 16.505 specifying the ordering requirements for orders exceeding the simplified acquisition threshold. This change details the requirements for ensuring any order exceeding the simplified acquisition threshold is placed on a competitive basis and requires a written determination to waive this requirement.

These policy changes are certainly geared at ensuring competition, and ensuring that fair opportunity is afforded to all base contract holders. The changes to FAR 16.505 in 2005-50, were necessary as a result of the changes in reference 10 requiring written justification for exceptions to fair opportunity. Although FAR 16.505(b)(1)(ii) allows the contracting officer not

to contact each of the multiple awardees under a contract provided they are offered fair opportunity for the order this could be difficult to actually put in practice. It is possible this requirement could be referring to the use of a website or other electronic request for proposal system, where the contracting officer can make each task order request for proposal available to all awardees without actually contacting them. The use of these procedures would ensure all awardees were provided fair opportunity even though they may not have been directly contacted. In the absence of a system similar to this the researcher is unsure of how a contracting officer could actually meet the prescriptions of this paragraph.

4. FAC 2005-27 revised FAR 16.505 to add ordering procedures for any task order in excess of \$5 million. Specifically, this revision required all awardees to be provided a fair opportunity to be considered for award and established five minimum requirements for these orders. These five requirements are: a clear statement of the agency's requirements; allow awardees a reasonable time to respond to the order request for proposal; provide awardees an explanation of how their proposal will be evaluated to include any factors or sub factors that will be rated and their importance in the award decision; when using a best value approach the contracting office is required to document the basis for award; and finally the contracting office needs to allow awardees the opportunity for a post award debrief if requested.

Compared to Appendix B, these changes are significant, prior to these changes there was nothing specifying what the minimum requirements for placing orders under multiple award contracts. Most of these changes probably stem from changes in references 2 and 5 that allowed for protests and debriefings, the minimum requirements simply ensure the contracting office will be able to offer debriefings to awardees as well as defend any protest that may be received. With the exception of the added requirement to allow for post award debriefings all other requirements were most likely being met by contracting offices. For instance, awardees cannot develop proposals if

the requirements are vague and the response time doesn't allow them enough time to adequately propose. In addition, anytime you're using factors you need to explain to awardees what the evaluation process is and this in turn leads to the need for the contracting office to document the award decision. Based on this example, it is likely that these changes merely formalized most of the practices that were already being followed.

5. The final change made to FAR 16 in FAC 2005-27 was in regards to post award notices and debriefings. Specifically, when the task order value exceeds \$5 million the contracting officer is required to notify unsuccessful awardees. In addition, the unsuccessful awardee may request and receive a debriefing for orders in excess of \$5 million, and the contracting office shall maintain a summary of the debriefing in the order file.

These changes added a little more transparency to the task or delivery order process. Prior to these changes, there was no requirement to notify an unsuccessful awardee nor would unsuccessful awardees receive any insight into how they had been evaluated for a particular order. These changes created an environment where awardees are able to be more informed on orders they do not receive, and can possibly lead to better proposals based on the information learned in the debriefing process. These results are certainly beneficial to both the government and contract awardees.

6. FAC 2005-39, issued 19 April 2010, updated 16.504(c)(1)(ii)(D)(3) to exempt architect-engineer services awarded using FAR 36.6 from the requirements of a determination to issue a single award IDIQ contract in excess of \$100 million.

This exemption is most likely due to the unique nature of architect-engineering service contracts. As evidenced by the fact that FAR 36.6 provides unique source selection procedures from those covered in FAR 15.

Given this the change most likely is a result of the nature of architect-engineering service work not being conducive to a multiple award environment.

7. The FAC 2005-45 updates to FAR 16.504 did not bring any major changes that would significantly alter the acquisition process. The updates were simply to increase the threshold for multiple award contracts from \$100 million to \$103 million, and the Contract Advisory and Assistance Service threshold from \$11.5 million to \$12.5 million. These threshold changes most likely account for inflation in prices from the originally established thresholds.
8. The changes implemented in FAC 2005-50 had a significant impact as it relates to exceptions to the fair opportunity process for multiple award contracts. As seen in Appendix B, FAR 16.505(b)(2)(i) was updated to add two additional exceptions to fair opportunity. One being that contracting agencies are now allowed to create set-asides for small businesses within multiple award contracts. The second exception allows an exception to fair opportunity if there is a statute that expressly authorizes or requires the purchase to be made from a specified source. These two changes are closely related in that the first allows for set asides to small business in accordance with FAR 19. FAR 19.13 and 19.14 contain statutes allowing for the placement of awards on a sole source basis to Historically Underutilized Business Zones (HUBZones) and Service-Disabled Veteran-Owned Small Businesses (SDVSOB); hence the second change to FAR 16.505.

The change to allow for set-asides to be used in multiple award contracts is a beneficial change for contracting offices. By allowing for set-asides within multiple award contracts not only are you increasing your awards to small business you are also better able to meet your agencies small business goals without developing new contracts. In addition, by allowing set-asides for small businesses you are allowing small business to be more competitive for receipt of orders under the base contract in that they no longer have to compete against the large businesses that also hold a base contract in order to

receive award. Awarding to small business also saves contracting agencies time as they do not need to evaluate and approve a subcontracting plan prior to award of an order.

9. The other significant changes made by FAC 2005-50 were regarding the exception to fair opportunity process. As can be seen by comparing the differences between FAR 16.505(b)(2) in Appendix's A and B the change three main areas. Requiring the justification to be in writing and follow a specific format is the first area covered by the change. The second area lays out the approval thresholds for the justification. Finally, the last area has to deal with the requirement to post the justification.

These changes definitely caused an impact on the way contracting activities handle awarding task/delivery orders on a sole source basis. As can be seen by a simple comparison of the changes from Appendix A to Appendix B, the requirements changed substantially. The required format of the justification was changed from simply annotating the file as the what exception was used, to writing the justification in a format similar to the requirements for a Justification and Approval for Other than Full and Open Competition as detailed in FAR 6. The approval levels established for the exception to fair opportunity went from a contracting officer's note in the file to established levels similar to the FAR 6 requirements. Finally, the contracting office is now required to post the approved exception. Staffing these exceptions to fair opportunity for signature and also reviewing them for redactions prior to posting them lengthens the procurement timeline for these sole source actions. It also ensures transparency into procurement process for these task/delivery orders as previously base contract holders would have no way of knowing an order had been issued on a sole source basis.

10. FAC 2005-55 added ordering procedures to FAR 16.505 for items peculiar to one manufacturer, otherwise known as brand name or equal items. As seen in Appendix A, this change now requires a justification to an exception to fair

opportunity be in writing to support orders meeting this criteria and that this justification is posted as well.

The impacts of this change would be similar to those detailed in reference 9, however, depending on the nature of the contracting activities work it may not have much of an impact. For example, if the contracting activity focused on research and development contracts they are likely to see little impact from this change as they don't deal in brand name items much.

## **B. MINIMUM QUANTITY LITERATURE REVIEW**

The IDIQ contract is unique in its requirement that the government order and the contractor furnish a minimum quantity of supplies or services (reference FAR 16.504(a)(1)). FAR 16.504(a)(2) further elaborates on this requirement stating that the quantity must be more than nominal to ensure that the contract is binding.

Dictionary.com offers the following definitions for nominal; “named as a mere matter of form, being trifling in comparison with actual value; minimal” and, “minimal in comparison with real worth or what is expected; token” (Nominal, n.d.). When you consider these definitions with the requirements from 16.504(a)(2) that this nominal quantity should not exceed what the government is fairly certain to order one could assume this quantity could be almost anything. Given this information, it appears that it would be incredibly difficult for a contractor to win a protest solely on the grounds the government did not meet the nominal quantity requirement.

### **1. Minimum Quantity Case Review**

The GAO has considered several protests regarding the guaranteed minimum quantity on IDIQ contracts. In the majority of the protests the case being presented was that the minimum quantity was insufficient to form a binding contract. Of particular importance to this research are the following:

- a. GAO Case B-278404.2: Sea-Land Service, Inc., protested that a minimum quantity of one container per carrier was insufficient to bind the parties. GAO denied this protest, and found that a quantity of one did represent a nominal quantity to bind the parties. As part of denying

the protest GAO pointed out that the multiple award nature of the contract made it impossible for the government to predetermine the minimum quantity it would award to each contractor. (Calhoun & Melody, 1998)

- b. B-285833: Carr's Wild Horse Center protested that the guaranteed minimum quantity of 100 horses/burros was insufficient to form binding contract. GAO denied the protest on the grounds that historical data indicated that 100 horses/burros was a number the government was fairly certain to order and that given the multiple award nature of the IDIQ contract there was no certainty how many horses/burros each individual contractor would handle over the life of the contract. (Gamboa, 2000)
- c. B-291185: ABF Freight System's protested the minimum quantity of a multiple award IDIQ contract for freight transportation services on the grounds the quantity was inadequate. GAO denied the protest stating, "We also find here that the minimum quantity guaranteed for each lane, even if it amounts to only a few hundred dollars, is sufficient consideration to form a binding contract. Although it may be true that the guaranteed minimum quantity for certain lanes appears low (particularly as compared to the minimums guaranteed for other lanes), this does not alone demonstrate that the guaranteed quantity is insufficient to support a contract." (Gamboa, 2002)
- d. B-299255: GAO denied the protest of Information Ventures finding that the guaranteed minimum amount of \$1,000 was reasonable to form a binding contract. This contract was also a multiple award IDIQ contract and GAO again argued that given the best value nature for placing delivery orders there was no way of telling how many awards any one contractor would receive. (Kepplinger, 2007)
- e. B-318046: The GAO found no basis to object to a guaranteed minimum of \$500 for the Library of Congress's Federal Library and

Information Network (FEDLINK) program. Of particular interest in this finding was that there was no historical data upon which to make a determination that the \$500 minimum was either too high or too low. (Gordon, 2009)

Based on these GAO determinations one can conclude that it would be incredibly unlikely that a contractor will be successful in protesting solely on the ground that the minimum quantity was not sufficient to form a binding contract (i.e., it was not nominal). When you factor in the movement to more multiple award contracts the argument becomes even harder to make. As seen above, GAO has found multiple times that given the best value aspects of multiple award contracts almost any dollar value or quantity amount can be reasonable to form a binding contract and thus be considered nominal. Even a guaranteed minimum of \$2,500 when compared to a contract maximum of \$150,000,000 has been upheld as meeting the requirement to form a binding contract (Gamboa, 2005).

### **C. SUMMARY**

This chapter focused on the changes made to FAR 16.504 and 16.505 since 2008. The impacts these changes had on contracting activities was also discussed. In addition, the chapter looked at the requirements for the guaranteed minimum quantity under IDIQ contracts to be nominal. GAO cases were reviewed to determine if any precedent existed for determining a minimum quantity was insufficient to form a binding contract.

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### **III. ACC-APG STATISTICAL DATA**

#### **A. OVERVIEW OF DATA GATHERING PROCESS**

In order to assess whether changes in policy regarding multiple award IDIQ contracts, have had any impact on contracts awarded by ACC-APG existing contract information had to be obtained. Specifically, the information was obtained through reports run against the Federal Procurement Data System – Next Generation (FPDS-NG) system and the Electronic Document Access (EDA) database. This information was limited to active multiple award IDIQ contracts dating back to 2008. The information obtained was aimed at providing answers to the following questions:

1. How many multiple award base contracts were awarded by ACC-APG for supplies? How many were for services? Were any for a combination of supplies and services?
2. For base contracts how many proposals were received and how many awards were made?
3. How many delivery/task orders have been issued against the contracts obtained in question 1?
4. What was the competitive status of the delivery/task orders awarded?
5. For competitively issued delivery/task orders how many received multiple proposals?
6. How many delivery/task orders were awarded on a non-competitive basis?
7. What is the GMQ and ceiling for the base contracts identified in question 1?

The data obtained is bound by a few limitations. First, all information pertaining to the number of contracts, competitive status, number of offers is limited to only what could be obtained from the FPDS-NG system. The accuracy of this information is dependent upon information input by contract specialists at the time these contracts were issued. Any awards that were reported incorrectly or not reported at all in the FPDS-NG system are not captured in the data. The second limitation is that all information pertaining to the GMQ and ceiling amounts is derived from accessing the contract

through the EDA database. If the contract does not clearly state this information it was excluded from the data. A final limitation is that the data was limited only to ACC-APG contracts and only focused on active contracts dating back to 2008. If a multiple award contract was issued in 2008 for a period of three years it will not be reflected in the data obtained.

The ACC-APG systems office ran the report queries of the FPDS-NG data. The data was provided in three separate files. One file was just active IDIQ contracts from 2008 to present. The second file contained the delivery/task order information for multiple award contracts where more than one bid was received. The final file contained delivery/task order information for multiple award contracts where only one bid was received.

## **B. PRESENTATION OF STATISTICAL DATA RESULTS**

After compiling all the data it was organized into a single file. The results compiled a list of 59 solicitations that resulted in award of 273 multiple award base contracts, with 405 delivery/task orders being issued against those contracts. A complete list of the results is shown in Table 2:

**Table 2. ACC-APG Contract Overview**

<b>Solicitation Number</b>	<b>Contract Number</b>	<b>Number of Offers Received</b>	<b>Service/ Supply</b>	<b>Number of Orders</b>	<b>Guaranteed Minimum Quantity</b>	<b>Maximum Contract Value</b>
Unknown	W15P7T08DB008	2	SUPP	1	Unknown	Unknown
	W15P7T08DB009	2	SUPP	4		
W15P7T-08-R-F014	W15P7T08DB414	2	SUPP	0	35 each	\$1,000,000
	W15P7T08DB415	2	SUPP	0		
W15P7T-08-R-P401	W15P7T08DP414	5	SERV	3	\$50,000	\$495,000,000
	W15P7T08DP416	5	SERV	4		
	W15P7T08DP417	5	SERV	1		
Unknown	W15P7T09DF001	27	SERV	0	\$25,000	\$7,108,000,000
	W15P7T09DF002	27	SERV	0		
	W15P7T09DF003	27	SERV	0		
	W15P7T09DF004	27	SERV	0		
	W15P7T09DF005	27	SERV	0		
	W15P7T09DF006	27	SERV	0		
	W15P7T09DF007	27	SERV	0		
Unknown	W15P7T09DM402	5	SUPP	3	\$7,014,000	\$1,944,706,045
	W15P7T09DM403	5	SERV	3		

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
W15P7T-08-R-N201	W15P7T09DN005	9	SERV	2	\$25,000	\$77,444,000
	W15P7T09DN006	9	SERV	1		
	W15P7T09DN007	9	SERV	2		
	W15P7T09DN008	9	SERV	1		
	W15P7T09DN009	9	SERV	0		
	W15P7T09DN010	9	SERV	1		
Unknown	W15P7T09DP012	6	SERV	3	\$50,000	\$900,000,000
	W15P7T09DP013	6	SERV	19		
Unknown	W15P7T10DA803	10	SERV	2	\$50,000	\$245,000,000
	W15P7T10DA804	10	SERV	5		
	W15P7T10DA805	10	SERV	3		
W15P7T-08-R-E0001	W15P7T10DD406	27	SERV	2	\$25,000	\$16.4 Billion
	W15P7T10DD407	27	SERV	0		
	W15P7T10DD408	27	SERV	1		
	W15P7T10DD409	27	SERV	1		
	W15P7T10DD410	27	SERV	5		
	W15P7T10DD411	27	SERV	5		
	W15P7T10DD412	27	SERV	2		
	W15P7T10DD413	27	SERV	4		
	W15P7T10DD414	27	SERV	0		
	W15P7T10DD415	27	SERV	0		
	W15P7T10DD416	27	SERV	2		
	W15P7T10DD417	27	SERV	2		
	W15P7T10DD418	27	SERV	1		
	W15P7T10DD419	27	SERV	0		
	W15P7T10DD420	27	SERV	0		
	W15P7T10DD421	27	SERV	1		
	W15P7T10DD422	27	SERV	0		
	W15P7T10DD423	27	SERV	1		
W25G1V-11-R-0023	W25G1V11D0002	12	SUPP	4	Unknown - not specified on contract	Unknown
	W25G1V11D0003	12	SUPP	5		
Unknown	W58P0508D0003	7	SUPP	0	3,500 each	\$3,000,000.00
	W58P0508D0004	7	SUPP	0		
	W58P0508D0005	7	SUPP	0		
Unknown	W58P0509D0001	9	SUPP	0	1,000 each	20,000 each
	W58P0509D0002	9	SUPP	0		
	W58P0509D0003	9	SUPP	0		
Unknown	W58P0509D0004	5	SUPP	0	Unknown	Unknown
	W58P0509D0006	7	SUPP	0		
	W58P0509D0007	7	SUPP	0		
Unknown	W58P0509D0013	11	SUPP	0	5,000 each	70,000 each
	W58P0509D0014	11	SUPP	0		
	W58P0509D0015	11	SUPP	0		
	W58P0509D0016	11	SUPP	0		

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
Unknown	W909MY09D0001	7	SUPP	1	SDD Phase	Varies by CLIN no dollar value set
	W909MY09D0002	7	SUPP	2		
W9115U-11-R-0004	W9115U11D0002	3	SUPP	0	20 each	2,000 each
	W9115U11D0003	4	SUPP	0	20 each	7,000 each
Unknown	W911QY08D0016	10	SERV	1	Unknown - not specified on contract	\$20,000,000
	W911QY08D0017	10	SERV	3		
	W911QY08D0018	10	SERV	3		
	W911QY08D0019	10	SERV	0		
	W911QY08D0020	10	SERV	0		
	W911QY08D0021	10	SERV	2		
	W911QY08D0022	10	SERV	4		
	W911QY08D0023	10	SERV	0		
W911QY-08-R-0003	W911QY08D0033	3	SUPP	0	\$13,800	\$24,500,000
	W911QY08D0034	3	SUPP	0		
W911QY-08-R-0012	W911QY09D0004	6	SUPP	1	Varies per CLIN - different items per contract	Quantity varies per CLIN
	W911QY09D0005	6	SUPP	0		
W911QY-09-R-0020	W911QY09D0020	2	SERV	0	\$2,500	\$10,000,000
	W911QY09D0021	2	SERV	1		
W911QY-09-R-0035	W911QY09D0026	4	SUPP	0	Quantity varies per CLIN	Quantity varies per CLIN
	W911QY09D0027	4	SUPP	0		
	W911QY09D0028	4	SUPP	0		
W911QY-09-R-0021	W911QY09D0031	6	SUPP	1	\$25,000	\$3,000,000
	W911QY09D0032	6	SUPP	0		
	W911QY09D0033	6	SUPP	1		
	W911QY09D0034	6	SUPP	1		
W911QY-09-R-0008	W911QY09D0040	12	SERV	1	\$2,500	\$20,000,000
	W911QY09D0041	12	SERV	3		
	W911QY09D0042	12	SERV	6		
	W911QY09D0043	12	SERV	5		
	W911QY09D0044	12	SERV	4		
	W911QY09D0045	12	SERV	5		
	W911QY09D0046	12	SERV	3		
	W911QY09D0047	12	SERV	2		
	W911QY09D0048	12	SERV	1		
W911QY-09-R-0034	W911QY10D0001	3	SUPP	1	\$200,000.00	\$220,000,000.00
	W911QY10D0002	7	SUPP	2		
	W911QY10D0003	3	SUPP	2		
W911QY-09-R-0002	W911QY10D0006	2	SUPP	2	Quantity varies per CLIN	\$105,302,325.00
	W911QY10D0007	2	SUPP	0		

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
W911QY-10-R-0005	W911QY10D0019	5	SUPP	2	Unknown - not specified on contract (minimum per order \$10k)	\$23,000,000.00
	W911QY10D0020	5	SUPP	4		
	W911QY10D0021	5	SUPP	5		
Unknown	W911QY10D0027	2	SERV	0	60,000 units	625,000 units
	W911QY10D0031	2	SERV	0		
W911QY-10-R-0026	W911QY10D0054	6	SUPP	0	\$25,000.00	\$247,000,000.00
	W911QY10D0055	6	SUPP	0		
	W911QY10D0056	6	SUPP	1		
W911QY-10-R-0049	W911QY10D0064	8	SUPP	2	20,000 uniforms	300,000 uniforms
	W911QY10D0065	8	SUPP	2		
	W911QY10D0066	8	SUPP	2		
W911QY-10-R-0066	W911QY11D0015	7	SUPP	0	Unknown - not specified in contract (minimum order is \$12,500)	\$248,512,500.00
	W911QY11D0016	7	SUPP	1		
	W911QY11D0017	7	SUPP	0		
	W911QY11D0018	7	SUPP	3		
	W911QY11D0019	7	SUPP	0		
	W911QY11D0020	7	SUPP	0		
W911QY-10-R-0067	W911QY11D0021	7	SUPP	0	Unknown - not specified in contract (minimum order is \$2,500)	\$997,000,000.00
	W911QY11D0022	27	SUPP	0		
	W911QY11D0023	27	SUPP	0		
	W911QY11D0024	27	SUPP	0		
	W911QY11D0025	27	SUPP	0		
	W911QY11D0026	27	SUPP	1		
	W911QY11D0027	27	SUPP	0		
	W911QY11D0028	27	SUPP	0		
	W911QY11D0029	27	SUPP	0		
	W911QY11D0030	27	SUPP	0		
	W911QY11D0031	27	SUPP	0		
	W911QY11D0032	27	SUPP	0		
	W911QY11D0033	27	SUPP	0		
	W911QY11D0034	27	SUPP	0		
	W911QY11D0035	27	SUPP	0		
	W911QY11D0036	27	SUPP	0		
	W911QY11D0037	27	SUPP	0		
	W911QY11D0038	27	SUPP	0		
	W911QY11D0040	27	SUPP	0		
	W911QY11D0041	27	SUPP	0		
	W911QY11D0042	27	SUPP	0		
W911QY-10-R-0025	W911QY11D0043	10	SUPP	0	\$50,000.00	\$465,000,000.00
	W911QY11D0044	10	SUPP	0		
	W911QY11D0045	10	SUPP	0		
W911QY-10-R-0027 - large business	W911QY11D0047	14	SERV	0	\$2,500.00	\$497,000,000.00
	W911QY11D0048	14	SERV	0		

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
awards	W911QY11D0049	14	SERV	0		
	W911QY11D0050	14	SERV	0		
	W911QY11D0051	14	SERV	0		
	W911QY11D0052	14	SERV	0		
	W911QY11D0053	14	SERV	1		
	W911QY11D0054	14	SERV	0		
	W911QY11D0055	14	SERV	1		
	W911QY11D0056	14	SERV	0		
	W911QY11D0057	14	SERV	3		
	W911QY11D0058	14	SERV	0		
	W911QY11D0059	14	SERV	0		
	W911QY11D0060	14	SERV	0		
W911QY-10-R-0027 - small business awards	W911QY11D0061	12	SERV	0		
	W911QY11D0062	12	SERV	0		
	W911QY11D0063	12	SERV	0		
	W911QY11D0064	12	SERV	0		
	W911QY11D0065	12	SERV	0		
	W911QY11D0066	12	SERV	1		
	W911QY11D0067	12	SERV	0		
	W911QY11D0068	12	SERV	0		
	W911QY11D0069	12	SERV	0		
	W911QY11D0070	12	SERV	0		
	W911QY11D0071	12	SERV	0		
	W911QY11D0072	12	SERV	1		
W911QY-10-R-0025	W911QY11D0080	10	SUPP	0	\$50,000.00	\$465,000,000.00
	W911QY11D0081	10	SUPP	0		
W911QY-11-R-0001	W911QY12D0006	7	SUPP	1	1,250 uniforms	75,000 uniforms
	W911QY12D0007	7	SUPP	1		
Unknown	W911SR08D0012	3	SERV	0	Unknown - not specified in contract (minimum order is \$50,000)	\$50,000,000.00
	W911SR08D0013	3	SERV	1		
	W911SR08D0014	3	SERV	0		
W911SR-09-R-0023 - large business awards	W911SR10D0001	11	SERV	3	\$25,000.00	\$485,000,000.00
	W911SR10D0002	11	SERV	1		
	W911SR10D0003	11	SERV	0		
	W911SR10D0004	11	SERV	12		
	W911SR10D0005	11	SERV	2		
	W911SR10D0006	11	SERV	2		
	W911SR10D0007	11	SERV	1		
	W911SR10D0008	11	SERV	0		
	W911SR10D0009	11	SERV	3		
	W911SR10D0010	11	SERV	2		
W911SR-09-R-0023	W911SR10D0011	10	SERV	1		

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
- small business awards	W911SR10D0013	10	SERV	0		
	W911SR10D0014	13	SERV	2		
	W911SR10D0015	13	SERV	0		
	W911SR10D0016	13	SERV	0		
	W911SR10D0017	13	SERV	3		
	W911SR10D0018	13	SERV	0		
	W911SR10D0019	13	SERV	0		
	W911SR10D0020	13	SERV	1		
	W911SR10D0021	13	SERV	0		
W911SR-11-R-0002	W911SR12D0001	6	SUPP	2	150,000 canisters	12,000,000 canisters
	W911SR12D0002	6	SUPP	1		
W9124A-08-R-0003	W9124A09D0003	18	SERV	9	\$50,000.00	Unknown - ordering maximum is \$750k
	W9124A09D0004	18	SERV	0		
	W9124A10D0001	18	SERV	11		
W9128Z-08-R-0001	W9128Z08D0001	3	SUPP	0	\$50,000.00	\$30,000,000.00
	W9128Z08D0002	3	SUPP	0		
	W9128Z08D0003	3	SUPP	0		
W9128Z-09-R-0003	W9128Z09D0007	4	SUPP	0	\$50,000.00	\$35,000,000.00
	W9128Z09D0008	4	SUPP	0		
	W9128Z09D0009	4	SUPP	0		
	W9128Z09D0010	4	SUPP	0		
W9128Z-09-R-0004	W9128Z09D0013	2	SUPP	0	\$50,000.00	\$28,008,075.00
	W9128Z09D0014	2	SUPP	0		
Unknown	W9128Z11D0005	14	SERV	17	\$50,000.00	\$892,000,000.00
	W9128Z11D0006	14	SERV	7		
	W9128Z11D0007	14	SERV	4		
W91CRB-07-R-0046	W91CRB08D0024	6	SERV	2	\$1,000,000.00	\$452,951,232.00
	W91CRB08D0025	6	SERV	0		
	W91CRB08D0026	6	SERV	0		
	W91CRB08D0027	6	SERV	2		
W91CRB-08-R-0065	W91CRB08D0040	2	SERV	3	\$100,000.00	\$5,500,000.00
	W91CRB08D0041	2	SUPP	4		
W91CRB-08-T-0029	W91CRB08D0043	5	SUPP	0	\$5,000.00	\$5,500,000.00
	W91CRB08D0044	3	SUPP	0		
W91CRB-08-R-0049	W91CRB08D0060	8	SUPP	1	\$1,000.00	\$300,000,000.00
	W91CRB08D0061	8	SUPP	0		
	W91CRB08D0062	8	SUPP	0		
	W91CRB08D0063	8	SUPP	1		
W91CRB-07-R-0041	W91CRB09D0001	10	SUPP	0	500 sets	Varies by CLIN no dollar value set
	W91CRB09D0002	10	SUPP	1		
	W91CRB09D0003	10	SUPP	0		
	W91CRB09D0004	10	SUPP	0		
W91CRB-08-R-0061	W91CRB09D0029	2	SERV	6	100 laser target locator	9,000 systems
	W91CRB09D0030	3	SERV	4		

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
					modules	
W91CRB-07-R-0079	W91CRB09D0047	8	SUPP	0	500 IOTV (vests) and 500 DAP (protectors)	736,000 IOTV, and 253,000 DAP
	W91CRB09D0049	9	SUPP	1		
	W91CRB09D0050	8	SUPP	0		
W91CRB-08-R-0092	W91CRB09D0054	8	SERV	4	\$100,000.00	\$494,000,000.00
	W91CRB09D0055	8	SERV	3		
	W91CRB09D0056	8	SERV	0		
	W91CRB09D0057	8	SERV	2		
	W91CRB09D0058	8	SERV	2		
W91CRB-09-T-0138	W91CRB10D0002	5	SERV	0	\$4,000.00	\$5,500,000.00
	W91CRB10D0003	5	SERV	0		
	W91CRB10D0004	5	SERV	0		
	W91CRB10D0005	5	SERV	0		
	W91CRB10D0006	5	SERV	0		
Unknown	W91CRB10D0008	8	SUPP	0	44 IOTV and 12 DAP	736,000 IOTV, and 253,000 DAP
	W91CRB10D0009	8	SUPP	0		
	W91CRB10D0010	8	SUPP	0		
	W91CRB10D0011	8	SUPP	0		
	W91CRB10D0012	8	SUPP	0		
	W91CRB10D0013	8	SUPP	0		
W91CRB-10-T-0135	W91CRB10D0043	2	SUPP	0	\$750,000.00	\$5,500,000.00
	W91CRB10D0044	2	SUPP	0		
W91CRB-09-R-0021	W91CRB11D0001	7	SERV	18	\$2,500.00	\$400,000,000.00
	W91CRB11D0002	7	SERV	13		
	W91CRB11D0003	7	SERV	3		
	W91CRB11D0004	7	SERV	5		
	W91CRB11D0005	7	SERV	0		
	W91CRB11D0006	7	SERV	4		
	W91CRB11D0007	7	SERV	2		
W91CRB-10-R-0029	W91CRB11D0013	2	SERV	0	\$25,000.00	\$5,500,000.00
	W91CRB11D0014	2	SERV	0		
W91CRB-10-R-0051	W91CRB11D0082	2	SUPP	6	1 system	Varies by CLIN no dollar value set
	W91CRB11D0083	2	SUPP	19		
W91RUS-07-R-0004	W91RUS08D0001	23	SERV	4	\$2,500.00	\$499,000,000.00
	W91RUS08D0002	23	SERV	2		
	W91RUS08D0003	23	SERV	4		
	W91RUS08D0004	23	SERV	5		
	W91RUS08D0005	23	SERV	3		
	W91RUS08D0006	23	SERV	7		
	W91RUS08D0007	23	SERV	0		
	W91RUS08D0010	23	SERV	1		
	W91RUS08D0011	23	SERV	1		
W91ZLK-08-R-0025	W91ZLK08D0008	2	SUPP	0	unknown	unknown

Solicitation Number	Contract Number	Number of Offers Received	Service/ Supply	Number of Orders	Guaranteed Minimum Quantity	Maximum Contract Value
	W91ZLK08D0009	3	SUPP	0		

### C. SUMMARY

This chapter provided a discussion of the data gathering process. It laid out the sources for obtaining the data and the questions the data was aimed at answering. A discussion of the processes limitation was also discussed. The chapter concluded with a presentation of the data obtained.

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## IV. DATA ANALYSIS

This chapter presents an analysis of the contract data obtained for ACC-APG. During analysis of the data, some of the data was found to be coded incorrectly in the FDPS system. The Contract Action Report (CAR) in FPDS contains a field entitled “Multiple or Single Award Indefinite Delivery Vehicle (IDV).” The analysis found that this field was being coded as “Multiple Award,” but the “Number of Offers Received” field indicated only one offer was received. This coding error resulted in an inflated number of IDIQ contracts, as multiple awards are not possible if only one offer is received. The data was updated to reflect only multiple award contracts where the number of offers was greater than one.

### A. ANALYSIS OF MULTIPLE AWARD IDIQ DATA

The contracting process begins with the issuance of a solicitation. Contractors submit proposals in response to the solicitation that are then evaluated by the government. Once the evaluation is complete, a contract is awarded to the successful offeror(s). In the case of an IDIQ contract, task/delivery orders are issued against the contract for the performance of work or delivery of supplies. Given this contracting process, the data was analyzed to determine how many contracts were awarded per solicitation issued by ACC-APG. Table 3 provides a summary of this analysis:

**Table 3. Awards Per Solicitation**

	<b>Solicitations</b>	<b>Awards</b>	<b>Average Number of Awards/Solicitation</b>
<b>Supply</b>	35	118	3.37
<b>Service</b>	22	151	6.86
<b>Service and Supply</b>	2	4	2.00
<b>Total</b>	59	273	4.63

The solicitations listed in Table 3 only represent those solicitations that resulted in more than one award being issued. On average, ACC-APG issued four awards for every solicitation issued. When ACC-APG issued a solicitation for supplies, the average

decreased to three awards per solicitation. There are a few circumstances that may explain this decrease. First, when purchasing supplies, quantity discounts are generally offered for purchasing larger quantities. These discounts are the result of economic purchase quantities on raw materials and production efficiencies gained from producing larger numbers of supplies (i.e., the learning curve). Secondly, when dealing with supplies, it is desirable to keep all contractors in production. This is because any breaks in production may lead to increased costs on future orders due to repeating testing on initial production quantities or paying for production start-up costs.

Not surprisingly, the average number of awards ACC-APG issued per service solicitation is almost seven. This difference is most likely attributable to the wide range of services the base contract covers. Having more contractors, who can compete on tasks orders of varying nature, can be beneficial to ensuring competition is maintained when issuing task orders. It is interesting to note that only two solicitations were issued for a combination of supplies and services. In both instances, only two awards were made: one for the service aspect and another for the supply.

One of the assumptions of this project was that when multiple awards are made, there is a tendency for the contracting activity to award to all offerors, especially if the solicitation was for services. Table 4 presents an overview of this analysis:

**Table 4. Solicitations Awarded to All Offerors**

	<b>Number of Solicitations</b>	<b>Award to All – More than 2 offerors</b>	<b>Awarded to all – Only 2 offerors</b>	<b>Exact Number of Offerors Unknown</b>
<b>Supply</b>	35	3	6	2
<b>Service</b>	22	5	3	2
<b>Service and Supply</b>	2	0	1	0
<b>Total</b>	59	8	10	4

As indicated in Table 4, four solicitations contained coding errors that made it impossible to determine whether a contract had been awarded to all offerors. The CAR in FDPS, from which this data was obtained, contains a field entitled “Number of Offers Received.” Generally, when making multiple awards against a solicitation, the number of offers for that solicitation is the same for all awards made against that solicitation. For those solicitations where the number of offerors was unknown, the number of offers varied for awards made against the same solicitation. For example, if two awards were made from one solicitation, the first award would indicate that two offers were received, and the second award for that same solicitation would indicate four offers were received. This may be the result of split awards where offerors were not required to bid on all items in the solicitation.

In reviewing the supply solicitations issued by ACC-APG, where more than two offers were received, contracts were awarded to all offerors only 8.57 percent of the time. When applying these same conditions to service solicitations issued by ACC-APG, the number increases to 22.72 percent. Overall, when more than two proposals are received, ACC-APG awarded to all offerors only 13.56 percent of the time. Given these results, the assumption regarding awarding contracts to all offerors is partially validated. The data suggests that if a solicitation was awarded to all offerors, it is most likely as a result of only receiving two offers. There are instances in which ACC-APG awarded to all offerors when more than two offers were received; however, the majority of the time ACC-APG did not award to all offerors.

## **B. ANALYSIS OF DELIVERY/TASK ORDER DATA**

After completing an analysis of the base contract information, the delivery/task order information was analyzed. The data was separated into the year the delivery/task order was issued, and then further broken out by competitive status. Table 5 presents a summary of this analysis:

**Table 5. Total Delivery/Task Orders by Year**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
<b>Competitive</b>	3	29	61	143	125	361
<b>Non-Competitive</b>	0	1	10	19	14	44
<b>Total</b>	3	30	71	162	125	405

The majority of time the ACC-APG issued delivery/task orders on a competitive basis. Since 2008, only 10.86 percent of the time did ACC-APG award delivery/task orders on a non-competitive basis. Overall, this initial data would seem to suggest that the changes in the FAR had no real impacts on the number of non-competitive delivery/task orders issued by ACC-APG. As indicated in Table 5, the number of non-competitive delivery/task orders awarded by ACC-APG in a single year never exceeds 15 percent of the total number of delivery/task orders awarded. This disproves the assumption that changes in the FAR led to a decrease in non-competitive delivery/task orders.

After reviewing competitive status of the delivery/task orders issued by ACC-APG, the competitive delivery/task orders were examined more closely. Specifically, these delivery/task orders were examined to determine how many were awarded on a competitive basis, yet only resulted in one offer being received. Table 6 summarizes these findings:

**Table 6. Competitive Delivery/Task Order Analysis**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Overall</b>
<b>Competitive</b>	3	29	61	143	125	361
<b>Competitive – Only 1 Offer</b>	1	7	4	41	19	72
<b>Percentage – Only 1 Offer</b>	33.33%	24.14%	6.56%	28.67%	15.20%	19.94%

Almost 20 percent of the time that a competitive delivery/task order Requests For Proposal (RFP) was issued by ACC-APG, it resulted in only one proposal being received. Overall, this suggests that the majority of the time competition is obtained when a competitive delivery/task order RFP is issued by ACC-APG. It is worth pointing out that in 2011, the same year that the FAR changed to require non-competitive delivery/task orders be approved similar to other non-competitive contracts, the number of competitive delivery/task orders with only one offer was nearly 30 percent. This could be a result of ACC-APG adjusting to the policy change, and issuing competitive delivery/task order RFP's that would previously have been awarded on a non-competitive basis. This would have led to only one of the offerors being able to perform the work and in turn receiving only one proposal. This increase may also be a result of a coding error in FDPS, resulting in the CAR being coded as competitive to avoid the recently implemented approval process (i.e., the delivery/task order was close to award when the policy changed resulting in following the old process rather than the new).

As shown in Tables 5 and 6, ACC-APG has been able to achieve competition on delivery/task orders the majority of the time. Only a small percentage of the time has ACC-APG awarded delivery/task orders on a non-competitive basis. The only interesting observation is that delivery/task orders coded as competitive did not always result in competition being obtained.

### **C. ANALYSIS OF MINIMUM QUANTITY DATA**

As discussed in Chapter II of this project, the GMQ necessary to form a binding contract can be almost anything provided the contracting activity has the market research to substantiate the minimum quantity contained in the solicitation and resultant contract. The EDA was accessed to determine what the GMQ was on multiple award contracts awarded by ACC-APG. The GMQ on a contract can be specified as a dollar amount or a unit of issue. As such, Table 7 organizes the data into these categories as follows:

**Table 7. GMQ Summary**

<b>GMQ ≤ \$50,000</b>	26
<b>GMQ &gt; \$50,001</b>	7
<b>GMQ ≤ 50 each</b>	3
<b>GMQ &gt; 51 each</b>	14
<b>GMQ Unknown</b>	9
<b>Total</b>	59

For a complete list of the GMQ and contract ceiling amounts see Table 2 in Chapter III of this project. As indicated in Table 7, almost half of the solicitations issued by ACC-APG contained a GMQ of \$50,000 or less. Of these 26 solicitations, with a GMQ of \$50,000.00 or less, eight had a GMQ of \$5,000.00 or less. Compared to the contract ceiling amounts listed in Table 2, these GMQ's seem incredibly low. The largest GMQ found was for \$7,014,000.00. When analyzing solicitations that specified a unit of issue, only once was a GMQ stated as a quantity of one; and in the majority of the cases the quantities were greater than 50 with multiple line items representing the GMQ.

An unexpected discovery was the absence of a clearly identifiable GMQ for nine of the 59 solicitations reviewed. This discovery is shown by the inclusion of the "GMQ Unknown" field in Table 7. Some of these contracts specified a minimum order quantity, the minimum quantity that can be ordered at one time, but it was unclear as to whether this was intended represent the GMQ. Both the minimum order quantity and GMQ need to be included in the contract as they represent two different elements that are required in an IDIQ contract. Solicitation cannot be accessed through the EDA system so it is unclear whether the solicitations for these contracts clearly specified the GMQ.

#### **D. SUMMARY**

This chapter presented an analysis of the multiple award date from the ACC-APG. The number of solicitations and resultant awards were analyzed. Following this analysis, an analysis of the delivery/task order information was presented. The chapter discussed trends, statistics, and observations that could be drawn based on the data. Finally, the chapter concluded with an analysis of the GMQ for the contracts analyzed.

## **V. CONCLUSIONS AND RECOMMENDATIONS**

### **A. SUMMARY**

This study presented a discussion and analysis of the policy changes that have led to an increased emphasis on multiple award contracts. The increased focus on obtaining competition for delivery/task orders issued against these multiple award base contracts was also discussed. The discussion also presented the potential impacts these policy changes may have on the contracting activities. The study also presented a discussion of what minimum quantity is necessary to form a binding contract. In the end, this analysis concluded that almost any quantity or dollar value -- no matter how low it may seem compared to the contract ceiling -- can be sufficient to form a binding contract.

Following the policy discussion, statistical data from ACC-APG was presented and analyzed. The analysis conducted was aimed at validating the assumptions this project began with. Overall, the data provided some validation and other interesting findings.

### **B. RECOMMENDATIONS**

Based on the results of this study, several recommendations are offered to the ACC-APG. The first recommendation is that ACC-APG consider offering clarification to the contracting workforce regarding when to code contracts in FDPS as multiple award versus single award. This clarification will hopefully prevent errors in FPDS coding on future contracts. It is also recommended that ACC-APG consider revising the contract information in FPDS that incorrectly identifies IDIQ contracts as multiple award when only one offer was received. Given that the results of this research identified some contracts without a GMQ clearly identified, it is recommended that ACC-APG provide a reminder to the contracting workforce that IDIQ contracts must have a GMQ specified.

### **C. CONCLUSIONS**

This project began with three main assumptions to which conclusions can now be provided. The first assumption was that prior to the 2011 changes to the FAR, non-competitive delivery/task orders were issued on a more frequent basis. Based on an

analysis of the data, this assumption was found to be untrue. The data actually showed a relatively low number of non-competitive delivery/task orders in each year, with no drastic increases or decreases. The second assumption was that multiple award IDIQ service contracts were awarded to all offerors. An analysis of the data did show that at times ACC-APG issued service contracts to all offerors; however, the majority of the time this was not the case. The final assumption was that the GMQ on multiple award contracts was so low it leads to awarding to all offerors. The analysis of the GMQ information did reveal that in most cases GMQ amount is low when compared to the contract ceilings. This could partially validate this final assumption as the low GMQ's helped make it possible to award contracts to all offerors. However, given that the data shows awarding to all offerors is not a common practice within ACC-APG, the low GMQ does not appear to be as significant a factor in the award decision as originally assumed.

#### **D. AREAS OF FURTHER RESEARCH**

Based on the findings of this project, there are several areas that could be further explored. First, a closer examination of delivery/task orders issued on a competitive basis but only receiving one proposal could be conducted. This study could focus on an examination of the delivery/task order files to determine if there are any common factors that lead to only one proposal being received. This research was limited to only information from ACC-APG, an area of further research could be to expand the data to cover other organizations or government agencies. In addition, when expanding the scope of the data additional sources beyond FDPS and EDA could be used to assemble the information. This expanded research could examine whether multiple award contracts are better suited for certain contracting centers based on their mission (research and development, spare parts purchasing, etc.).

## APPENDIX A

### Federal Acquisition Regulation Current to FAC 2005–55 Effective 2 February 2012

#### **16.504 -- Indefinite-Quantity Contracts**

(a) *Description.* An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period. The Government places orders for individual requirements. Quantity limits may be stated as number of units or as dollar values.

(1) The contract must require the Government to order and the contractor to furnish at least a stated minimum quantity of supplies or services. In addition, if ordered, the contractor must furnish any additional quantities, not to exceed the stated maximum. The contracting officer should establish a reasonable maximum quantity based on market research, trends on recent contracts for similar supplies or services, survey of potential users, or any other rational basis.

(2) To ensure that the contract is binding, the minimum quantity must be more than a nominal quantity, but it should not exceed the amount that the Government is fairly certain to order.

(3) The contract may also specify maximum or minimum quantities that the Government may order under each task or delivery order and the maximum that it may order during a specific period of time.

(4) A solicitation and contract for an indefinite quantity must—

(i) Specify the period of the contract, including the number of options and the period for which the Government may extend the contract under each option;

(ii) Specify the total minimum and maximum quantity of supplies or services the Government will acquire under the contract;

(iii) Include a statement of work, specifications, or other description, that reasonably describes the general scope, nature, complexity, and purpose of the supplies or services the Government will acquire under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer;

(iv) State the procedures that the Government will use in issuing orders, including the ordering media, and, if multiple awards may be made, state the procedures and selection criteria that the Government will use to provide awardees a fair opportunity to be considered for each order (see [16.505\(b\)\(1\)](#));

(v) Include the name, address, telephone number, facsimile number, and e-mail address of the agency task and delivery order ombudsman (see [16.505\(b\)\(6\)](#)) if multiple awards may be made;

(vi) Include a description of the activities authorized to issue orders; and

(vii) Include authorization for placing oral orders, if appropriate, provided that the Government has established procedures for obligating funds and that oral orders are confirmed in writing.

(b) *Application.* Contracting officers may use an indefinite-quantity contract when the Government cannot predetermine, above a specified minimum, the precise quantities of supplies or services that the Government will require during the contract period, and it is inadvisable for the Government to commit itself for more than a minimum quantity. The contracting officer should use an indefinite-quantity contract only when a recurring need is anticipated.

(c) *Multiple award preference—*

(1) *Planning the acquisition.*

(i) Except for indefinite-quantity contracts for advisory and assistance services as provided in paragraph (c)(2) of this section, the contracting

officer must, to the maximum extent practicable, give preference to making multiple awards of indefinite-quantity contracts under a single solicitation for the same or similar supplies or services to two or more sources.

(ii)

(A) The contracting officer must determine whether multiple awards are appropriate as part of acquisition planning. The contracting officer must avoid situations in which awardees specialize exclusively in one or a few areas within the statement of work, thus creating the likelihood that orders in those areas will be awarded on a sole-source basis; however, each awardee need not be capable of performing every requirement as well as any other awardee under the contracts. The contracting officer should consider the following when determining the number of contracts to be awarded:

(1) The scope and complexity of the contract requirement.

(2) The expected duration and frequency of task or delivery orders.

(3) The mix of resources a contractor must have to perform expected task or delivery order requirements.

(4) The ability to maintain competition among the awardees throughout the contracts' period of performance.

(B) The contracting officer must not use the multiple award approach if--

(1) Only one contractor is capable of providing performance at the level of quality required because the supplies or services are unique or highly specialized;

(2) Based on the contracting officer's knowledge of the market, more favorable terms and conditions, including pricing, will be provided if a single award is made;

(3) The expected cost of administration of multiple contracts outweighs the expected benefits of making multiple awards;

(4) The projected orders are so integrally related that only a single contractor can reasonably perform the work;

(5) The total estimated value of the contract is less than the simplified acquisition threshold; or

(6) Multiple awards would not be in the best interests of the Government.

(C) The contracting officer must document the decision whether or not to use multiple awards in the acquisition plan or contract file. The contracting officer may determine that a class of acquisitions is not appropriate for multiple awards (see [subpart 1.7](#)).

(D)

(1) No task or delivery order contract in an amount estimated to exceed \$103 million (including all options) may be awarded to a single source unless the head of the agency determines in writing that—

(i) The task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work;

(ii) The contract provides only for firm fixed price (see [16.202](#)) task or delivery orders for—

(A) Products for which unit prices are established in the contract; or

(B) Services for which prices are established in the contract for the specific tasks to be performed;

(iii) Only one source is qualified and capable of performing the work at a reasonable price to the Government; or

(iv) It is necessary in the public interest to award the contract to a single source due to exceptional circumstances.

(2) The head of the agency must notify Congress within 30 days after any determination under paragraph (c)(1)(ii)(D)(I)(iv) of this section.

(3) The requirement for a determination for a single-award contract greater than \$103 million:

(i) Is in addition to any applicable requirements of [Subpart 6.3](#).

(ii) Is not applicable for architect-engineer services awarded pursuant to [Subpart 36.6](#).

(2) *Contracts for advisory and assistance services.*

(i) Except as provided in paragraph (c)(2)(ii) of this section, if an indefinite-quantity contract for advisory and assistance services exceeds 3 years and \$12.5 million, including all options, the contracting officer must make multiple awards unless--

(A) The contracting officer or other official designated by the head of the agency determines in writing, as part of acquisition planning, that multiple awards are not practicable. The contracting officer or other official must determine that only one contractor can reasonably perform the work because either the scope of work is unique or highly specialized or the tasks so integrally related;

(B) The contracting officer or other official designated by the head of the agency determines in writing, after the evaluation of offers, that only one offeror is capable of providing the services required at the level of quality required; or

(C) Only one offer is received.

(ii) The requirements of paragraph (c)(2)(i) of this section do not apply if the contracting officer or other official designated by the head of the agency determines that the advisory and assistance services are incidental and not a significant component of the contract.

**16.505 -- Ordering.**

(a) *General.*

(1) In general, the contracting officer does not synopsise orders under indefinite-delivery contracts; except see 16.505(a)(4) and (11), and 16.505(b)(2)(ii)(D).

(2) Individual orders shall clearly describe all services to be performed or supplies to be delivered so the full cost or price for the performance of the work can be

established when the order is placed. Orders shall be within the scope, issued within the period of performance, and be within the maximum value of the contract.

(3) Performance-based acquisition methods must be used to the maximum extent practicable, if the contract or order is for services (see [37.102\(a\)](#) and Subpart [37.6](#)).

(4) The following requirements apply when procuring items peculiar to one manufacturer:

(i) The contracting officer must justify restricting consideration to an item peculiar to one manufacturer (e.g., a particular brand-name, product, or a feature of a product that is peculiar to one manufacturer). A brand-name item, even if available on more than one contract, is an item peculiar to one manufacturer. Brand-name specifications shall not be used unless the particular brand-name, product, or feature is essential to the Government's requirements and market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the agency's needs.

(ii) Requirements for use of items peculiar to one manufacturer shall be justified and approved using the format(s) and requirements from paragraphs (b)(2)(ii)(A), (B), and (C) of this section, modified to show the brand-name justification. A justification is required unless a justification covering the requirements in the order was previously approved for the contract in accordance with [6.302-1\(c\)](#) or unless the base contract is a single-award contract awarded under full and open competition. Justifications for the use of brand-name specifications must be completed and approved at the time the requirement for a brand-name is determined.

(iii)

(A) For an order in excess of \$25,000, the contracting officer shall—

(1) Post the justification and supporting documentation on the agency website used (if any) to solicit offers for orders under the contract; or

(2) Provide the justification and supporting documentation along with the solicitation to all contract awardees.

(B) The justifications for brand-name acquisitions may apply to the portion of the acquisition requiring the brand-name item. If the justification is to cover only the portion of the acquisition which is brand-name, then it should so state; the approval level requirements will then only apply to that portion.

(C) The requirements in paragraph (a)(4)(iii)(A) of this section do not apply when disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks.

(D) The justification is subject to the screening requirement in paragraph (b)(2)(ii)(D)(4) of this section.

(5) When acquiring information technology and related services, consider the use of modular contracting to reduce program risk (see [39.103\(a\)](#)).

(6) Orders may be placed by using any medium specified in the contract.

(7) Orders placed under indefinite-delivery contracts must contain the following information:

(i) Date of order.

- (ii) Contract number and order number.
- (iii) For supplies and services, contract item number and description, quantity, and unit price or estimated cost or fee.
- (iv) Delivery or performance schedule.
- (v) Place of delivery or performance (including consignee).
- (vi) Any packaging, packing, and shipping instructions.
- (vii) Accounting and appropriation data.
- (viii) Method of payment and payment office, if not specified in the contract (see [32.1110\(e\)](#)).

(8) Orders placed under a task-order contract or delivery-order contract awarded by another agency (*i.e.*, a Governmentwide acquisition contract, or multi-agency contract)

- (i) Are not exempt from the development of acquisition plans (see [Subpart 7.1](#)), and an information technology acquisition strategy (see [Part 39](#));
- (ii) May not be used to circumvent conditions and limitations imposed on the use of funds (*e.g.*, 31 U.S.C. 1501(a)(1)); and
- (iii) Must comply with all FAR requirements for a bundled contract when the order meets the definition of “bundled contract” (see [2.101\(b\)](#)).

(9) In accordance with section 1427(b) of Public Law 108–136, orders placed under multi-agency contracts for services that substantially or to a dominant extent specify performance of architect-engineer services, as defined in [2.101](#), shall—

- (i) Be awarded using the procedures at [Subpart 36.6](#); and

(ii) Require the direct supervision of a professional architect or engineer licensed, registered or certified in the State, Federal District, or outlying area, in which the services are to be performed.

(10)

(i) No protest under [Subpart 33.1](#) is authorized in connection with the issuance or proposed issuance of an order under a task-order contract or delivery-order contract, except for—

(A) A protest on the grounds that the order increases the scope, period, or maximum value of the contract; or

(B) *A protest of an order valued in excess of \$10 million.* Protests of orders in excess of \$10 million may only be filed with the Government Accountability Office, in accordance with the procedures at [33.104](#).

(ii) The authority to protest the placement of an order under this subpart expires on September 30, 2016, for DoD, NASA and the Coast Guard (10 U.S.C. 2304a(d) and 2304c(e)), and on May 27, 2011, for other agencies (41 U.S.C. 4103(d) and 4106(f)).

(11) Publicize orders funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5) as follows:

(i) Notices of proposed orders shall follow the procedures in [5.704](#) for posting orders.

(ii) Award notices for orders shall follow the procedures in [5.705](#).

(12) When using the Governmentwide commercial purchase card as a method of payment, orders at or below the micro-purchase threshold are exempt from verification in the Central Contractor Registration (CCR) database as to whether

the contractor has a delinquent debt subject to collection under the Treasury Offset Program (TOP).

*(b) Orders under multiple-award contracts--*

*(1) Fair opportunity.*

(i) The contracting officer must provide each awardee a fair opportunity to be considered for each order exceeding \$3,000 issued under multiple delivery-order contracts or multiple task-order contracts, except as provided for in paragraph (b)(2) of this section.

(ii) The contracting officer may exercise broad discretion in developing appropriate order placement procedures. The contracting officer should keep submission requirements to a minimum. Contracting officers may use streamlined procedures, including oral presentations. If the order does not exceed the simplified acquisition threshold, the contracting officer need not contact each of the multiple awardees under the contract before selecting an order awardee if the contracting officer has information available to ensure that each awardee is provided a fair opportunity to be considered for each order. The competition requirements in Part 6 and the policies in [Subpart 15.3](#) do not apply to the ordering process. However, the contracting officer must--

(A) Develop placement procedures that will provide each awardee a fair opportunity to be considered for each order and that reflect the requirement and other aspects of the contracting environment;

(B) Not use any method (such as allocation or designation of any preferred awardee) that would not result in fair consideration being given to all awardees prior to placing each order;

(C) Tailor the procedures to each acquisition;

(D) Include the procedures in the solicitation and the contract; and

(E) Consider price or cost under each order as one of the factors in the selection decision.

(iii) Orders exceeding the simplified acquisition threshold.

(A) Each order exceeding the simplified acquisition threshold shall be placed on a competitive basis in accordance with paragraph (b)(1)(iii)(B) of this section, unless supported by a written determination that one of the circumstances described at 16.505(b)(2)(i) applies to the order and the requirement is waived on the basis of a justification that is prepared in accordance with 16.505(b)(2)(ii)(B);

(B) The contracting officer shall—

(1) Provide a fair notice of the intent to make a purchase, including a clear description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made to all contractors offering the required supplies or services under the multiple-award contract; and

(2) Afford all contractors responding to the notice a fair opportunity to submit an offer and have that offer fairly considered.

(iv) *Orders exceeding \$5 million.* For task or delivery orders in excess of \$5 million, the requirement to provide all awardees a fair opportunity to be considered for each order shall include, at a minimum—

(A) A notice of the task or delivery order that includes a clear statement of the agency's requirements;

(B) A reasonable response period;

(C) Disclosure of the significant factors and subfactors, including cost or price, that the agency expects to consider in evaluating proposals, and their relative importance;

(D) Where award is made on a best value basis, a written statement documenting the basis for award and the relative importance of quality and price or cost factors; and

(E) An opportunity for a postaward debriefing in accordance with paragraph (b)(4) of this section.

(v) The contracting officer should consider the following when developing the procedures:

(A)

(1) Past performance on earlier orders under the contract, including quality, timeliness and cost control.

(2) Potential impact on other orders placed with the contractor.

(3) Minimum order requirements.

(4) The amount of time contractors need to make informed business decisions on whether to respond to potential orders.

(5) Whether contractors could be encouraged to respond to potential orders by outreach efforts to promote exchanges of information, such as—

(i) Seeking comments from two or more contractors on draft statements of work;

(ii) Using a multiphased approach when effort required to respond to a potential order may be resource intensive (*e.g.*, requirements are complex or need continued development), where all contractors are initially considered on price considerations (*e.g.*, rough estimates), and other considerations as appropriate (*e.g.*, proposed conceptual approach, past performance). The contractors most likely to submit the highest value solutions are then selected for one-on-one sessions with the Government to increase their understanding of the requirements, provide suggestions for refining requirements, and discuss risk reduction measures.

(B) Formal evaluation plans or scoring of quotes or offers are not required.

(2) *Exceptions to the fair opportunity process.*

(i) The contracting officer shall give every awardee a fair opportunity to be considered for a delivery-order or task-order exceeding \$3,000 unless one of the following statutory exceptions applies:

(A) The agency need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays.

(B) Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.

(C) The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.

(D) It is necessary to place an order to satisfy a minimum guarantee.

(E) For orders exceeding the simplified acquisition threshold, a statute expressly authorizes or requires that the purchase be made from a specified source.

(F) In accordance with section 1331 of Public Law 111–240 (15 U.S.C. 644(r)), contracting officers may, at their discretion, set aside orders for any of the small business concerns identified in [19.000\(a\)\(3\)](#). When setting aside orders for small business concerns, the specific small business program eligibility requirements identified in part 19 apply.

(ii) The justification for an exception to fair opportunity shall be in writing as specified in paragraphs (b)(2)(ii)(A) or (B) of this section. No justification is needed for the exception described in paragraph (b)(2)(i)(F) of this section.

(A) *Orders exceeding \$3,000, but not exceeding the simplified acquisition threshold.* The contracting officer shall document the basis for using an exception to the fair opportunity process. If the contracting officer uses the logical follow-on exception, the rationale shall describe why the relationship between the initial order and the follow-on is logical (*e.g.*, in terms of scope, period of performance, or value).

(B) *Orders exceeding the simplified acquisition threshold.* As a minimum, each justification shall include the following information and be approved in accordance with paragraph (b)(2)(ii)(C) of this section:

(1) Identification of the agency and the contracting activity, and specific identification of the document as a “Justification for an Exception to Fair Opportunity.”

(2) Nature and/or description of the action being approved.

(3) A description of the supplies or services required to meet the agency’s needs (including the estimated value).

(4) Identification of the exception to fair opportunity (see 16.505(b)(2)) and the supporting rationale, including a demonstration that the proposed contractor’s unique qualifications or the nature of the acquisition requires use of the exception cited. If the contracting officer uses the logical follow-on exception, the rationale shall describe why the relationship between the initial order and the follow-on is logical (*e.g.*, in terms of scope, period of performance, or value).

(5) A determination by the contracting officer that the anticipated cost to the Government will be fair and reasonable.

(6) Any other facts supporting the justification.

(7) A statement of the actions, if any, the agency may take to remove or overcome any barriers that led to the exception to fair opportunity before any subsequent acquisition for the supplies or services is made.

(8) The contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief.

(9) Evidence that any supporting data that is the responsibility of technical or requirements personnel (e.g., verifying the Government's minimum needs or requirements or other rationale for an exception to fair opportunity) and which form a basis for the justification have been certified as complete and accurate by the technical or requirements personnel.

(10) A written determination by the approving official that one of the circumstances in (b)(2)(i)(A) through (E) of this section applies to the order.

*(C) Approval.*

(1) For proposed orders exceeding the simplified acquisition threshold, but not exceeding \$650,000, the ordering activity contracting officer's certification that the justification is accurate and complete to the best of the ordering activity contracting officer's knowledge and belief will serve as approval, unless a higher approval level is established in accordance with agency procedures.

(2) For a proposed order exceeding \$650,000, but not exceeding \$12.5 million, the justification must be approved by the competition advocate of the activity placing the order, or by an official named in paragraph (b)(2)(ii)(C)(3) or (4) of this section. This authority is not delegable.

(3) For a proposed order exceeding \$12.5 million, but not exceeding \$62.5 million (or, for DoD, NASA, and the

Coast Guard, not exceeding \$85.5 million), the justification must be approved by—

(i) The head of the procuring activity placing the order;

(ii) A designee who—

(A) If a member of the armed forces, is a general or flag officer;

(B) If a civilian, is serving in a position in a grade above GS-15 under the General Schedule (or in a comparable or higher position under another schedule); or

(iii) An official named in paragraph (b)(2)(ii)(C)(4) of this section.

(4) For a proposed order exceeding \$62.5 million (or, for DoD, NASA, and the Coast Guard, over \$85.5 million), the justification must be approved by the senior procurement executive of the agency placing the order. This authority is not delegable, except in the case of the Under Secretary of Defense for Acquisition, Technology, and Logistics, acting as the senior procurement executive for the Department of Defense.

(D) *Posting.*

(1) Except as provided in paragraph (b)(2)(ii)(D)(5) of this section, within 14 days after placing an order exceeding the simplified acquisition threshold that does not provide for

fair opportunity in accordance with 16.505(b), the contract officer shall—

(i) Publish a notice in accordance with 5.301; and

(ii) Make publicly available the justification required at (b)(2)(ii)(B) of this section.

(2) The justification shall be make publicly available--

(i) At the GPE <http://www.fedbizopps.gov> ;

(ii) On the website of the agency, which may provide access to the justifications by linking to the GPE; and

(iii) Must remain posted for a minimum of 30 days.

(3) In the case of an order permitted under paragraph (b)(2)(i)(A) of this subsection, the justification shall be posted within 30 days after award of the order.

(4) Contracting officers shall carefully screen all justifications for contractor proprietary data and remove all such data, and such references and citations as are necessary to protect the proprietary data, before making the justifications available for public inspection. Contracting officers shall also be guided by the exemptions to disclosure of information contained in the Freedom of Information Act (5 U.S.C. 552) and the prohibitions against disclosure in 24.202 in determining whether other data should be removed. Although the submitter notice process set out in Executive Order 12600 “Predisclosure

Notification Procedures for Confidential Commercial Information” does not apply, if the justification appears to contain proprietary data, the contracting officer should provide the contractor that submitted the information an opportunity to review the justification for proprietary data before making the justification available for public inspection, redacted as necessary. This process must not prevent or delay the posting of the justification in accordance with the timeframes required in paragraphs (1) and (3).

(5) The posting requirement of this section does not apply--

(i) When disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks; or

(ii) To a small business set-aside under paragraph (b)(2)(i)(F).

(3) *Pricing orders.* If the contract did not establish the price for the supply or service, the contracting officer must establish prices for each order using the policies and methods in Subpart [15.4](#).

(4) *Postaward Notices and Debriefing of Awardees for Orders Exceeding \$5million.* The contracting officer shall notify unsuccessful awardees when the total price of a task or delivery order exceeds \$5million.

(i) The procedures at [15.503](#)(b)(1) shall be followed when providing postaward notification to unsuccessful awardees.

(ii) The procedures at [15.506](#) shall be followed when providing postaward debriefing to unsuccessful awardees.

(iii) A summary of the debriefing shall be included in the task or delivery order file.

*(5) Decision documentation for orders.*

(i) The contracting officer shall document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision. This documentation need not quantify the tradeoffs that led to the decision.

(ii) The contract file shall also identify the basis for using an exception to the fair opportunity process (see paragraph (b)(2)).

*(6) Task –order and delivery-order ombudsman.* The head of the agency shall designate a task-order and delivery-order ombudsman. The ombudsman must review complaints from contractors and ensure they are afforded a fair opportunity to be considered, consistent with the procedures in the contract. The ombudsman must be a senior agency official who is independent of the contracting officer and may be the agency’s competition advocate.

*(c) Limitation on ordering period for task-order contracts for advisory and assistance services.*

(1) Except as provided for in paragraphs (c)(2) and (c)(3), the ordering period of a task-order contract for advisory and assistance services, including all options or modifications, normally may not exceed 5 years.

(2) The 5-year limitation does not apply when--

(i) A longer ordering period is specifically authorized by a statute; or

(ii) The contract is for an acquisition of supplies or services that includes the acquisition of advisory and assistance services and the contracting officer, or other official designated by the head of the agency, determines

that the advisory and assistance services are incidental and not a significant component of the contract.

(3) The contracting officer may extend the contract on a sole-source basis only once for a period not to exceed 6 months if the contracting officer, or other official designated by the head of the agency, determines that--

(i) The award of a follow-on contract is delayed by circumstances that were not reasonably foreseeable at the time the initial contract was entered into; and

(ii) The extension is necessary to ensure continuity of services, pending the award of the follow-on contract.

## APPENDIX B

### **Federal Acquisition Regulation current to FAC 2005–26 12 June 2008**

#### **16.504 -- Indefinite-Quantity Contracts.**

*(a) Description.* An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period. The Government places orders for individual requirements. Quantity limits may be stated as number of units or as dollar values.

(1) The contract must require the Government to order and the contractor to furnish at least a stated minimum quantity of supplies or services. In addition, if ordered, the contractor must furnish any additional quantities, not to exceed the stated maximum. The contracting officer should establish a reasonable maximum quantity based on market research, trends on recent contracts for similar supplies or services, survey of potential users, or any other rational basis.

(2) To ensure that the contract is binding, the minimum quantity must be more than a nominal quantity, but it should not exceed the amount that the Government is fairly certain to order.

(3) The contract may also specify maximum or minimum quantities that the Government may order under each task or delivery order and the maximum that it may order during a specific period of time.

(4) A solicitation and contract for an indefinite quantity must—

(i) Specify the period of the contract, including the number of options and the period for which the Government may extend the contract under each option;

(ii) Specify the total minimum and maximum quantity of supplies or services the Government will acquire under the contract;

(iii) Include a statement of work, specifications, or other description, that reasonably describes the general scope, nature, complexity, and purpose of the supplies or services the

Government will acquire under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer;

(iv) State the procedures that the Government will use in issuing orders, including the ordering media, and, if multiple awards may be made, state the procedures and selection criteria that the Government will use to provide awardees a fair opportunity to be considered for each order (see [16.505\(b\)\(1\)](#));

(v) Include the name, address, telephone number, facsimile number, and e-mail address of the agency task and delivery order ombudsman (see [16.505\(b\)\(5\)](#)) if multiple awards may be made;

(vi) Include a description of the activities authorized to issue orders; and

(vii) Include authorization for placing oral orders, if appropriate, provided that the Government has established procedures for obligating funds and that oral orders are confirmed in writing.

*(b) Application.* Contracting officers may use an indefinite-quantity contract when the Government cannot predetermine, above a specified minimum, the precise quantities of supplies or services that the Government will require during the contract period, and it is inadvisable for the Government to commit itself for more than a minimum quantity. The contracting officer should use an indefinite-quantity contract only when a recurring need is anticipated.

*(c) Multiple award preference—*

*(1) Planning the acquisition.*

(i) Except for indefinite-quantity contracts for advisory and assistance services as provided in paragraph (c)(2) of this section, the contracting officer must, to the maximum extent practicable, give preference to making multiple awards of indefinite-quantity contracts under a single solicitation for the same or similar supplies or services to two or more sources.

(ii)

(A) The contracting officer must determine whether multiple awards are appropriate as part of acquisition planning. The contracting officer must avoid situations in which awardees specialize exclusively in one or a few areas within the statement of work, thus creating the likelihood that orders in those areas will be awarded on a sole-source basis; however, each awardee need not be capable of performing every requirement as well as any other awardee under the contracts. The contracting officer should consider the following when determining the number of contracts to be awarded:

- (1) The scope and complexity of the contract requirement.
- (2) The expected duration and frequency of task or delivery orders.
- (3) The mix of resources a contractor must have to perform expected task or delivery order requirements.
- (4) The ability to maintain competition among the awardees throughout the contracts' period of performance.

(B) The contracting officer must not use the multiple award approach if--

- (1) Only one contractor is capable of providing performance at the level of quality required because the supplies or services are unique or highly specialized;
- (2) Based on the contracting officer's knowledge of the market, more favorable terms and conditions,

including Cpricing, will be provided if a single award is made;

(3) The expected cost of administration of multiple contracts outweighs the expected benefits of making multiple awards;

(4) The projected orders are so integrally related that only a single contractor can reasonably perform the work;

(5) The total estimated value of the contract is less than the simplified acquisition threshold; or

(6) Multiple awards would not be in the best interests of the Government.

(C) The contracting officer must document the decision whether or not to use multiple awards in the acquisition plan or contract file. The contracting officer may determine that a class of acquisitions is not appropriate for multiple awards (see [subpart 1.7](#)).

*(2) Contracts for advisory and assistance services.*

(i) Except as provided in paragraph (c)(2)(ii) of this section, if an indefinite-quantity contract for advisory and assistance services exceeds 3 years and \$11.5 million, including all options, the contracting officer must make multiple awards unless--

(A) The contracting officer or other official designated by the head of the agency determines in writing, as part of acquisition planning, that multiple awards are not practicable. The contracting officer or other official must determine that only one contractor can reasonably perform the work because either the scope of work is unique or highly specialized or the tasks so integrally related;

(B) The contracting officer or other official designated by the head of the agency determines in writing, after the evaluation of offers, that only one offeror is capable of providing the services required at the level of quality required; or

(C) Only one offer is received.

(ii) The requirements of paragraph (c)(2)(i) of this section do not apply if the contracting officer or other official designated by the head of the agency determines that the advisory and assistance services are incidental and not a significant component of the contract.

#### **16.505 -- Ordering.**

(a) *General.*

(1) The contracting officer does not synopsise orders under indefinite-delivery contracts.

(2) Individual orders shall clearly describe all services to be performed or supplies to be delivered so the full cost or price for the performance of the work can be established when the order is placed. Orders shall be within the scope, issued within the period of performance, and be within the maximum value of the contract.

(3) Performance-based acquisition methods must be used to the maximum extent practicable, if the contract or order is for services (see [37.102\(a\)](#) and Subpart [37.6](#)).

(4) When acquiring information technology and related services, consider the use of modular contracting to reduce program risk (see [39.103\(a\)](#)).

(5) Orders may be placed by using any medium specified in the contract.

(6) Orders placed under indefinite-delivery contracts must contain the following information:

(i) Date of order.

(ii) Contract number and order number.

- (iii) For supplies and services, contract item number and description, quantity, and unit price or estimated cost or fee.
- (iv) Delivery or performance schedule.
- (v) Place of delivery or performance (including consignee).
- (vi) Any packaging, packing, and shipping instructions.
- (vii) Accounting and appropriation data.
- (viii) Method of payment and payment office, if not specified in the contract (see [32.1110\(e\)](#)).

(7) Orders placed under a task-order contract or delivery-order contract awarded by another agency (*i.e.*, a Governmentwide acquisition contract, or multi-agency contract)

- (i) Are not exempt from the development of acquisition plans (see [Subpart 7.1](#)), and an information technology acquisition strategy (see Part 39);
- (ii) May not be used to circumvent conditions and limitations imposed on the use of funds (*e.g.*, 31 U.S.C. 1501(a)(1)); and
- (iii) Must comply with all FAR requirements for a bundled contract when the order meets the definition of “bundled contract” (see [2.101\(b\)](#)).

(8) In accordance with section 1427(b) of Public Law 108–136, orders placed under multi-agency contracts for services that substantially or to a dominant extent specify performance of architect-engineer services, as defined in 2.101, shall—

- (i) Be awarded using the procedures at Subpart 36.6; and
- (ii) Require the direct supervision of a professional architect or engineer licensed, registered or certified in the State, Federal District, or outlying area, in which the services are to be performed.

(9) No protest under [Subpart 33.1](#) is authorized in connection with the issuance or proposed issuance of an order under a task-order contract or

delivery-order contract, except for a protest on the grounds that the order increases the scope, period, or maximum value of the contract (10 U.S.C. 2304c(d) and 41 U.S.C. 253j(d)).

*(b) Orders under multiple award contracts—*

*(1) Fair opportunity.*

(i) The contracting officer must provide each awardee a fair opportunity to be considered for each order exceeding \$3,000 issued under multiple delivery-order contracts or multiple task-order contracts, except as provided for in paragraph (b)(2) of this section.

(ii) The contracting officer may exercise broad discretion in developing appropriate order placement procedures. The contracting officer should keep submission requirements to a minimum. Contracting officers may use streamlined procedures, including oral presentations. In addition, the contracting officer need not contact each of the multiple awardees under the contract before selecting an order awardee if the contracting officer has information available to ensure that each awardee is provided a fair opportunity to be considered for each order. The competition requirements in part 6 and the policies in [subpart 15.3](#) do not apply to the ordering process. However, the contracting officer must--

(A) Develop placement procedures that will provide each awardee a fair opportunity to be considered for each order and that reflect the requirement and other aspects of the contracting environment;

(B) Not use any method (such as allocation or designation of any preferred awardee) that would not result in fair consideration being given to all awardees prior to placing each order;

(C) Tailor the procedures to each acquisition;

(D) Include the procedures in the solicitation and the contract; and

(E) Consider price or cost under each order as one of the factors in the selection decision.

(iii) The contracting officer should consider the following when developing the procedures:

(A)

(1) Past performance on earlier orders under the contract, including quality, timeliness and cost control.

(2) Potential impact on other orders placed with the contractor.

(3) Minimum order requirements.

(4) The amount of time contractors need to make informed business decisions on whether to respond to potential orders.

(5) Whether contractors could be encouraged to respond to potential orders by outreach efforts to promote exchanges of information, such as—

(i) Seeking comments from two or more contractors on draft statements of work;

(ii) Using a multiphased approach when effort required to respond to a potential order may be resource intensive (*e.g.*, requirements are complex or need continued development), where all contractors are initially considered on price considerations (*e.g.*, rough estimates), and other considerations as appropriate (*e.g.*, proposed conceptual approach, past performance).

The contractors most likely to submit the highest value solutions are then selected for one-on-one sessions with the Government to increase their understanding of the requirements, provide suggestions for refining requirements, and discuss risk reduction measures.

(B) Formal evaluation plans or scoring of quotes or offers are not required.

(2) *Exceptions to the fair opportunity process.* The contracting officer shall give every awardee a fair opportunity to be considered for a delivery-order or task-order exceeding \$3,000 unless one of the following statutory exceptions applies:

- (i) The agency need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays;
- (ii) Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized;
- (iii) The order must be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.
- (iv) It is necessary to place an order to satisfy a minimum guarantee.

(3) *Pricing orders.* If the contract did not establish the price for the supply or service, the contracting officer must establish prices for each order using the policies and methods in [subpart 15.4](#).

(4) *Decision documentation for orders.* The contracting officer shall document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale for any tradeoffs

among cost or price and non-cost considerations in making the award decision. This documentation need not quantify the tradeoffs that led to the decision. The contract file shall also identify the basis for using an exception to the fair opportunity process. If the agency uses the logical follow-on exception, the rationale shall describe why the relationship between the initial order and the follow-on is logical (*e.g.*, in terms of scope, period performance, or value).

(5) *Task and Delivery Order Ombudsman*. The head of the agency shall designate a task-order contract and delivery-order contract ombudsman. The ombudsman must review complaints from contractors and ensure they are afforded a fair opportunity to be considered, consistent with the procedures in the contract. The ombudsman must be a senior agency official who is independent of the contracting officer and may be the agency's competition advocate.

(c) *Limitation on ordering period for task-order contracts for advisory and assistance services*.

(1) Except as provided for in paragraphs (c)(2) and (c)(3), the ordering period of a task-order contract for advisory and assistance services, including all options or modifications, normally may not exceed 5 years.

(2) The 5-year limitation does not apply when--

(i) A longer ordering period is specifically authorized by a statute;  
or

(ii) The contract is for an acquisition of supplies or services that includes the acquisition of advisory and assistance services and the contracting officer, or other official designated by the head of the agency, determines that the advisory and assistance services are incidental and not a significant component of the contract.

(3) The contracting officer may extend the contract on a sole-source basis only once for a period not to exceed 6 months if the contracting officer, or other official designated by the head of the agency, determines that--

- (i) The award of a follow-on contract is delayed by circumstances that were not reasonably foreseeable at the time the initial contract was entered into; and
- (ii) The extension is necessary to ensure continuity of services, pending the award of the follow-on contract.

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